

WAYNE TOWNSHIP
CASS COUNTY, MICHIGAN

FINANCIAL REPORT

YEAR ENDED MARCH 31, 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Wayne Township	County Cass
Audit Date 3/31/05	Opinion Date 8/15/05	Date Accountant Report Submitted to State: 9/6/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

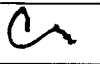
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Charles C. Ross, C.P.A., P.C.			
Street Address 103 Pennsylvania Avenue		City Dowagiac	State MI
Accountant Signature  C. C. Ross, C.P.A., P.C.		ZIP 49047-0058	Date 9/6/05

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CASS COUNTY, MICHIGAN
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WAYNE TOWNSHIP
CASS COUNTY, MICHIGAN

TOWNSHIP BOARD

Dr. Frank L. Butts, D.V.M.

Supervisor

Kurt Reich

Clerk

Dawn King

Treasurer

Jim Griggs

Trustee

Mike Krager

Trustee

Charles C. Ross, C.P.A., P.C.

103 Pennsylvania Avenue

P.O. Box 58

Dowagiac, Michigan 49047

(269) 782-8621

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INDEPENDENT AUDITOR'S REPORT

Members of the Township Board
Wayne Township
Cass County, Michigan

I have audited the accompanying financial statements of the governmental activities, and each major fund of Wayne Township as of and for the year ended March 31, 2005, which collectively comprise the Townships basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Township Board of Wayne Township. My responsibility is to express an opinion on these financial statements based on my audit.


I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and cash flows where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, Wayne Township has implemented a new financial reporting model, as required by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, as of March 31, 2005.

The management's discussion and analysis information on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial statements listed as supplemental material in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Wayne Township. The information has been subjected to the audit procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

 C. C. R., C.P.A., P.C.

Dowagiac, Michigan
August 15, 2005

WAYNE TOWNSHIP

Management's Discussion and Analysis

The Management's Discussion and Analysis report of Wayne Township covers the Township's financial performance during the year ended March 31, 2005.

FINANCIAL HIGHLIGHTS

Our financial status remained stable over the last year. Net assets at March 31, 2005, totaled \$1,570,166 for governmental activities. Overall total capital assets remained approximately the same.

Overall revenues were \$363,271 from governmental activities. Governmental activities had a \$38,504 increase in net assets.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Wayne Township's basic financial statements. Wayne Township's basic financial statements include the following three components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

In addition to the basic financial statements themselves, this report also contains other supplementary information.

1. Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide the reader with a broad overview of Wayne Township's finances, in a manner similar to a private-sector business.

- The Statement of Net Assets presents information on all of Wayne Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Wayne Township is improving or deteriorating.
- The Statement of Activities presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as accrued liabilities.

WAYNE TOWNSHIP

Management's Discussion and Analysis

2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wayne Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Wayne Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, the reader may better understand the long-term impact of the Township's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between Governmental Funds and Governmental Activities.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-Wide Financial Statements because the resources of those funds are not available to support Wayne Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Our cash position in governmental and business-type activities remains stable.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

The General Fund pays for the most of the Township's governmental services. The most significant are the funding of public safety and general government.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The investment in capital assets remained approximately the same during the year.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

WAYNE TOWNSHIP

Management's Discussion and Analysis

The future of state revenue sharing is very uncertain and it represents a significant portion of our income. We continue to grow in taxable values.

CONTACTING THE TOWNSHIP'S MANAGEMENT

This financial report is intended to provide our taxpayers, creditors and investors with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report, please contact the Township Clerk, Mr. Kurt Reich, P.O. Box 304, Dowagiac, MI 49047.

WAYNE TOWNSHIP

Statement of Net Assets
March 31, 2005

	Governmental Activities
ASSETS	
Cash	\$ 813,559
Investments	-
Receivables	
Taxes	10,449
Due from other funds	9
Due from other governments	18,914
Special assessments	-
Other	1,056
Prepaid expenses	6,748
Capital assets	726,844
TOTAL ASSETS	1,577,579
LIABILITIES	
Accounts payable	7,404
TOTAL LIABILITIES	7,404
NET ASSETS	
Invested in capital assets	726,844
Unrestricted	843,322
TOTAL NET ASSETS	\$ 1,570,166

The accompanying notes are an integral part of these financial statements.

WAYNE TOWNSHIP

Statement of Activities
For the Year Ended March 31, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental Activities				
General government	\$ 114,994	\$ -	\$ -	\$ (114,994)
Public safety	42,791	-	13,525	(29,266)
Public works	107,756	-	-	(107,756)
Planning and zoning	31,823	35,443	-	3,620
Total Governmental Activities	297,364	35,443	13,525	(248,396)

General revenues:	
Property taxes	70,204
State grants	202,001
Investment income	8,896
Other	34,202
Total General Revenues	315,303
Change in Net Assets	66,907
Net Assets - Beginning of Year	1,503,259
NET ASSETS - END OF YEAR	\$ 1,570,166

The accompanying notes are an integral part of these financial statements.

**WAYNE TOWNSHIP
GOVERNMENTAL FUNDS
Balance Sheet
March 31, 2005**

	General Fund	Fire Department Fund	Fire Equipment Sinking Fund
ASSETS			
Current Assets			
Cash	\$ 519,733	\$ 19,702	\$ 158,702
Receivables			
Taxes	10,449	-	-
Due from other funds	9	-	-
Due from other governments	18,914	-	-
Other	1,044	12	-
Prepaid expenses	3,776	2,972	-
Total Current Assets	553,925	22,686	158,702
TOTAL ASSETS	553,925	22,686	158,702
LIABILITIES			
Current Liabilities			
Accounts payable	7,404	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total Current Liabilities	7,404	-	-
TOTAL LIABILITIES	7,404	-	-
FUND BALANCES			
Unreserved	546,521	22,686	158,702
TOTAL LIABILITIES AND FUND EQUITIES	\$ 553,925	\$ 22,686	\$ 158,702

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Net Assets of Governmental Activities

The accompanying notes are an integral part of these financial statements.

<u>Fire Building Sinking Fund</u>	<u>Township Board Building Sinking Fund</u>	<u>Total Governmental Funds</u>
\$ 41,221	\$ 74,201	\$ 813,559
-	-	10,449
-	-	9
-	-	18,914
-	-	1,056
-	-	6,748
<u>41,221</u>	<u>74,201</u>	<u>850,735</u>
<u>41,221</u>	<u>74,201</u>	<u>850,735</u>
-	-	7,404
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>7,404</u>
<u>-</u>	<u>-</u>	<u>7,404</u>
<u>41,221</u>	<u>74,201</u>	<u>843,331</u>
<u>\$ 41,221</u>	<u>\$ 74,201</u>	
		<u>726,844</u>
		<u>\$ 1,570,175</u>

WAYNE TOWNSHIP
GOVERNMENTAL FUNDS
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2005

	General Fund	Fire Department Fund	Fire Equipment Sinking Fund
REVENUES:			
Taxes	\$ 70,204	\$ -	\$ -
Intergovernmental	202,001	12,525	-
Permits	35,443	-	-
Interest	6,212	429	491
Other	24,034	9,168	1,000
TOTAL REVENUES	337,894	22,122	1,491
EXPENDITURES			
Current			
General government	114,994	-	-
Public safety	9,614	33,177	-
Public works	107,756	-	-
Planning commission and zoning	31,823	-	-
Capital outlay	-	27,403	-
TOTAL EXPENDITURES	264,187	60,580	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	73,707	(38,458)	1,491
OTHER FINANCING SOURCES AND (USES)			
Operating transfers	(78,000)	31,000	27,000
Net Change in Fund Balances	(4,293)	(7,458)	28,491
FUND BALANCE, beginning of year	550,814	30,144	130,211
FUND BALANCE, end of year	\$ 546,521	\$ 22,686	\$ 158,702

The accompanying notes are an integral part of these financial statements.

Fire Building Sinking Fund	Township Board Building Sinking Fund	Total
\$ -	\$ -	\$ 70,204
-	-	214,526
-	-	35,443
671	1,093	8,896
-	-	34,202
671	1,093	363,271
-	-	114,994
-	-	42,791
-	-	107,756
-	-	31,823
-	-	27,403
-	-	324,767
671	1,093	38,504
-	20,000	-
671	21,093	38,504
40,550	53,108	804,827
\$ 41,221	\$ 74,201	\$ 843,331

WAYNE TOWNSHIP
GOVERNMENTAL FUNDS
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ 38,504
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	<u>(8,667)</u>
Change in Net Assets of Governmental Activities	<u>\$ 29,837</u>

The accompanying notes are an integral part of these financial statements.

WAYNE TOWNSHIP
FIDUCIARY FUNDS
Statement of Fiduciary Assets and Liabilities
March 31, 2005

ASSETS

Cash

\$ -

LIABILITIES

Due to other governmental units

\$ -

The accompanying notes are an integral part of these financial statements.

WAYNE TOWNSHIP
Notes to Financial Statements
March 31, 2005

NOTE A - SUMMARY OF ACCOUNTING POLICIES

The accounting methods and procedures adopted by Wayne Township, Michigan, conform to accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant governmental accounting policies are described below:

1. The Reporting Entity

The Township has adopted the position of the Governmental Accounting Standards Board regarding the definition of "reporting entity". The basic criteria for including a governmental organization in a governmental unit's general purpose financial report is the exercise of oversight responsibility over the governmental organization unit's elected officials. The manifestations of such oversight responsibility are financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

There are no entities over which the Township exercises oversight responsibility.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statements of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government of the Township. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. In the individual fund statements and schedules, the proprietary funds and fiduciary fund financial statements are also reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

WAYNE TOWNSHIP
Notes to Financial Statements
March 31, 2005

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

Wayne Township reports the following major governmental funds:

The **General Fund** is the Townships primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Fire Department Fund** is used to account for the Township's fire services.

The **Fire Equipment Sinking Fund** is used to account for funds being accumulated for the purchase of fire fighting equipment.

The **Fire Building Sinking Fund** is used to account for funds being accumulated for the purchase of building additions.

The **Township Board Building Sinking Fund** is used to account for funds being accumulated for the purchase of building additions.

Additionally, Wayne Township reports the following fund type:

The **Agency Funds** are used to collect and distribute State of Michigan, Cass County, Southwestern Michigan College, Dowagiac Public schools, and Cass County Intermediate School District property tax monies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The Township has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, including special assessments. All taxes are reported as general taxes.

WAYNE TOWNSHIP
Notes to Financial Statements
March 31, 2005

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first. Unrestricted resources are used as they are needed.

4. Budgets and Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

The Uniform Budgeting Act (P.A. 621 of 1978) of the State of Michigan requires that all governmental fund types annually adopt balanced budgets and the modified accrual basis of accounting.

Budgets for the governmental fund types are adopted on the modified accrual basis. This is consistent with generally accepted accounting principles.

During February, the Township clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted by the Township Board to obtain taxpayers' comments.

On the first meeting in April, the budget is legally enacted through passage of a resolution.

5. Property and Equipment

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by Wayne Township as assets with individual cost of more than \$5,000 and an estimated useful life in excess of two years.

All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at estimated fair market value on the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets used is charged as an expense against their operations in government-wide statements and all proprietary financial statements. Accumulated depreciation is reported on government-wide and proprietary statements of net assets. The straight-line depreciation method is applied over the estimated useful lives of the fixed assets.

The straight-line depreciation method is used for all depreciable capital assets. The estimated useful lives for capital assets are displayed in the table below:

<u>Asset Class</u>	<u>Depreciable Life</u>
Land	N/A
Buildings	40 years
Equipment	5 – 10 years
Vehicles	5 – 15 years

WAYNE TOWNSHIP
Notes to Financial Statements
March 31, 2005

6. Revenue Recognition - Property Taxes

The Township acts as a property tax filing and collection agent for the Township, the County, and certain school districts. These taxes are billed on December 1 and are due without penalty on February 28. The School Districts, the Counties, and the Township are paid weekly their proportionate share as taxes are received.

The Township's uncollected property taxes are recorded as assets in the General Fund of the Township. Property taxes that are not collected within sixty days of the end of the fiscal year are treated as deferred revenue.

NOTE B - CASH AND INVESTMENTS

Cash-

Wayne Township's policy is to invest excess cash in certificates of deposit and savings accounts with an area bank. The carrying amount of deposits are displayed on the balance sheets as "Cash". At year end, the carrying amount of the Township's deposits was \$813,559 and the bank balance was \$814,413. Of the bank balance, \$400,000 was insured by the Federal Deposit Insurance Corp. (FDIC) insurance program, the remaining \$414,413 of deposits are uninsured.

Investments-

State statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper within the three (3) highest rate classifications by at least two (2) rating services, maturing not later than 270 days; repurchase agreements, collateralized by U.S. Government securities; banker's acceptance; and mutual funds. Not more than 50% of any fund may be invested in commercial paper.

NOTE C - ACCOUNT WITH CASS COUNTY ROAD COMMISSION

The Cass County Road Commission does substantially all road improvements for Silver Creek Township. The funding of such projects is provided by Township and County residents. All disbursements to the Road Commission by the Township are included in the general purpose financial statements as an expenditure at the time of disbursement. Accordingly, a portion of the disbursement may represent an advance of road improvement funds before such project is begun or completed by the Road Commission.

NOTE D - GENERAL FIXED ASSETS ACCOUNT GROUP

The following is a summary of changes in the general fixed assets account group.

WAYNE TOWNSHIP
Notes to Financial Statements
March 31, 2005

	April 1, <u>2004</u>	<u>Additions</u>	<u>Deletions</u>	March 31, <u>2005</u>
Land	\$ 6,906	-	-	\$ 6,906
Buildings	153,919	-	-	153,919
Building improvements	16,130	-	-	16,130
Equipment	500,261	27,404	-	527,665
Office equipment	22,224	-	-	22,224
	<u>\$ 699,440</u>	<u>\$ 27,404</u>	<u>-</u>	<u>\$ 726,844</u>

NOTE E – BENEFIT PLAN

Vacation and sick pay are expensed when paid and do not accumulate beyond the current year. The Township does not maintain a retirement plan for its employees, most of whom are part-time.

NOTE F – RISK MANAGEMENT AND LITIGATION

The Township is exposed to various losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. This year, as in past years, the Township has effectively managed risk through the purchase of commercial insurance policies.

The Township Attorney estimates that the amount of actual or potential claims against the Township as of March 31, 2005, will not materially affect the financial condition of the Township. Therefore, the General Fund contains no provision for, and the General Long-Term Debt Account Group does not present estimated claims.

**WAYNE TOWNSHIP
GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended March 31, 2005**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	\$ 55,000	\$ 55,000	\$ 70,204	\$ 15,204
Intergovernmental	140,000	140,000	202,001	62,001
Permits	19,600	19,600	35,443	15,843
Interest	4,000	4,000	6,212	2,212
Other	25,050	25,050	24,034	(1,016)
TOTAL REVENUES	243,650	243,650	337,894	94,244
EXPENDITURES				
General Government				
Township Board	48,700	48,700	25,676	23,024
Supervisor	18,550	18,550	15,808	2,742
Elections	4,100	4,100	3,585	515
Clerk	18,000	18,000	13,536	4,464
Assessor	26,000	26,000	17,056	8,944
Board of Review	1,300	1,300	965	335
Treasurer	18,700	18,700	16,465	2,235
Township Hall	20,900	20,900	5,992	14,908
Cemetery	23,150	23,150	15,911	7,239
	179,400	179,400	114,994	64,406
Public safety				
Ambulance	20,500	20,500	9,614	10,886
Public works				
Roads	109,000	109,000	107,756	1,244
Planning commission	55,350	55,350	31,823	23,527
Operating transfers	78,000	78,000	78,000	-
Total Expenditures	442,250	442,250	342,187	100,063
Net Change in Fund Balance	(198,600)	(198,600)	(4,293)	194,307
Fund Balance - Beginning	550,814	550,814	550,814	-
Fund Balance - Ending	\$ 352,214	\$ 352,214	\$ 546,521	\$ 194,307

The accompanying notes are an integral part of these financial statements.

**WAYNE TOWNSHIP
FIRE DEPARTMENT FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended March 31, 2005**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 12,525	\$ 12,525
Interest	-	-	429	429
Other	-	-	9,168	9,168
TOTAL REVENUES	-	-	22,122	22,122
EXPENDITURES				
Public Safety	103,675	103,675	60,580	43,095
Operating transfers	(40,000)	(40,000)	(31,000)	9,000
Total Expenditures	63,675	63,675	29,580	52,095
Net Change in Fund Balance	(63,675)	(63,675)	(7,458)	(29,973)
Fund Balance - Beginning	30,144	30,144	30,144	-
Fund Balance - Ending	<u>\$ (33,531)</u>	<u>\$ (33,531)</u>	<u>\$ 22,686</u>	<u>\$ (29,973)</u>

The accompanying notes are an integral part of these financial statements.